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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 01/20/09

INDEX:

- (1) Japan should be prepared for "Obama shock" of deepening ties with China; A bipolar world must also be envisaged (Mainichi)
- (2) President Obama: Hope for revival of American dream (Asahi)
- (3) Expert panel to prepare law specifying cases subject to civil lawsuit against foreign governments (Asahi)
- (4) Foreign Ministry has left contributions to UN totaling 800 million yen unattended for two to eight years (Yomiuri)
- (5) Jiji opinion poll finds 37 PERCENT of public would favor DPJ, 21 PERCENT the LDP when voting in the proportional representation portion of the Lower House election (Tokyo Shimbun)
- (6) Sankei-FNN poll on Aso cabinet, political parties (Sankei)
- (7) Scope column: Confrontation between Aso and Nakagawa intensifying over whether to mention consumption tax hike in additional clause (Tokyo Shimbun)
- (8) TOP HEADLINES
- (9) EDITORIALS
- (10) Prime Minister's schedule, January 19 (Nikkei)

ARTICLES:

- (1) Japan should be prepared for "Obama shock" of deepening ties

with China; A bipolar world must also be envisaged

MAINICHI (Page 6) (Abridged slightly)
January 20, 2009

Toshihiko Kasahara, foreign news desk

Has the world ever pinned such strong hopes on the inauguration of one leader? I am talking about U.S. President-elect Barack Obama, who will be sworn in on January 20. Japan's circumstances are somewhat different (from the rest of the world), however. Japan fears that China will steal America's heart. I boldly predict that Japan's concern will become reality, that Japanese diplomacy will be hit by a moderate "Obama shock," and that it will mark a watershed for the Japan-U.S. alliance.

In predicting Obama diplomacy, I would like to introduce to readers a suggestive anecdote, which I learned from an American acquaintance who is certain to join the new Obama administration as a senior official responsible for Asian diplomacy.

In March 2008, in the middle of the Democratic presidential nomination race, some 40 foreign-policy staffers of the Obama and Hillary Clinton camps assembled at a Florida hotel. They were all prospective candidates for senior diplomatic posts under the next administration. The purpose was to consolidate foreign policies ahead of the launching of a Democratic administration.

Several days of their seminar was focused on policies toward China, Russia and India. The three countries were singled out because they

TOKYO 00000111 002 OF 013

would impact on the future of the international order. Japan was discussed only from the context of debating China policy, according to my acquaintance.

I have no intention of discussing America's propensity to slight Japan based on this event. Japan is important for the United States. But the meaning of "important" must be taken relative to America's global strategy.

I drew up the following Japan-U.S. relations diagram as I watched foreign leaders constantly visiting the White House during my stint in Washington until last spring.

America is a popular guy who is drawing attention from all over the world. This hot-blooded guy has a hard time dealing with all sorts of women from beautiful ones to stalkers. He has many girlfriends (allies), as well. Japan is a truly devoted woman. America just whispers in Japan's ear, "You are important," and it obediently walks three steps behind him.

This is not a joke. Let us recall a sequence of events leading up to America's delisting of North Korea last October as a state sponsor of terrorism. Japan had repeatedly asked the United States not to delist the North, and President George W. Bush said that he would not forget the issue of Japanese nationals abducted by that country. Despite all that, the United States went ahead and removed the North from its list of state sponsors of terrorism. Japan is still calling for strengthening relations with the United States like someone under a spell.

The Obama administration is so popular -- -- it may enter the Guinness Book of Records that Japan may become jealous. The international community's high expectations for Obama are a reversal of the dislike for the enormous power the United States had demonstrated under the Bush administration. But the picture of an end to unilateral control by the United States and a multi-polarized world is not necessarily correct.

In reality, budding power centers are dispersed among European powers, Russia, China, and India, centering on the United States, the sole superpower in the world. With its potential national power, China is growing into a pole in itself, comparable to the United States.

The Newsweek New Year issue carries an op-ed by Richard Haass, president of the Council on Foreign Relations, which argued: "The single most important challenge for the new administration-one with the potential to shape the 21st century-is China."

From the denuclearization of North Korean to the energy crisis, the world is faced with scores of issues that are difficult to resolve without the cooperation of China.

Naoki Tanaka, president of the Center for International Public Policy Studies, contributed an essay to the Chuo Koron December 2008 issue that went: "Today, the United States naturally and clearly devotes its energy to policy toward China. In such an age, Japan can no longer secure an important position by just calling for the maintenance of the security alliance with the United States."

After the end of WWII, Japan has been able to become the world's second largest economy owing to the alliance with the United States.

TOKYO 00000111 003 OF 013

But because of its excessive reliance (on the United States), Japan has not been to turn its economic power into political and diplomatic power. If Japan continues clinging to its foreign policy based on its worldview centering on the alliance with the United States, the country's international position would dramatically decline.

Japan should proactively pursue multi-polar diplomacy in dealing with Asia and international organs while based on coordination with the United States. In doing so, it is essential to think strategically how to secure national interests with a future U.S.-China bipolar world in mind.

Japan, for example, could take the initiative in an effort to launch a regular Japan-U.S.-China summit and proactively make proposals in areas it takes pride, such as the environment and African issues. This should be one option for Japan to increase its influence on the United States and China.

(2) President Obama: Hope for revival of American dream

ASAHI (Page 15) (Full)
January 15, 2009

Barack Obama will assume the presidency of the United States on January 20.

I interviewed him when he was an Illinois senator. I visited his law firm in downtown Chicago on August 30, 2002. It was part of a project to hear and record throughout the U.S. what had happened after the civil rights movement in the 1960s.

He is known as a person of eloquence and a good speaker. However, what impressed me during the interview was both his gentle manner and his inner intensity. Since he was a busy person, he spared me 30 minutes for the interview. However, the interview in the end lasted one hour. This made me feel that he was a warmhearted person. At that time, I never expected he would be nominated as a presidential candidate, let alone become president.

Mr. Obama openly criticized conventional-type black politicians. In Illinois, the first black mayor was elected Chicago in the 1980s. A black senator was also elected after that. However, he noted that such had not brought about any major change to people's lives. He said, "De facto racial segregation centering on residential areas will continue for another 50 or even 100 years. The issue will not be settled so easily."

I had interviewed more than 80 sources. But none of them made such a clear-cut comment. I thought he was a totally new type of black politician who advocated a set of ideals for building the nation that could serve as a model for the world, while looking at the reality of situations in a cool-headed manner.

The poor, densely populated districts of Chicago occupied by black residents, with whom Obama has built deep relations extending nearly

20 years, were not his only power base. I took notice of the fact that he was widely supported in the Lake Michigan area, as well, which is inhabited by many wealthy white liberals with high educational backgrounds.

As far as I could see, while wealthy people, including black

TOKYO 00000111 004 OF 013

politicians, live in pleasant residential areas, poor people living in crime-ridden areas have been subject to day-to-day threats. Immigrants from Latin America and Asia have been sharply increasing. A new solidarity that transcended the racial framework had to be sought. Obama not only understood this but also was even then trying to realize that. He said: "I would like to find common challenges in the economic, housing and education areas and build a new political coalition with a view to the future, where diversification will have made headway."

Even now, the war on poverty in the U.S. is still left unattended, even though America has become the most powerful nation in the world.

The current serious economic turmoil has given many white voters the push to overcome their racial prejudice. The long-standing "small-government" policy has widened the social fissure. As a long-to mid-term public policy to correct this, a public education system, in particular, expansion of public subsidies for preschool education, is drawing attention. Obama is characterizing that as a desirable strategic public investment for the future, along with the nurturing of environmentally-friendly new industries.

This reminds me of another lineage of American values, which has created a dilemma for the U.S. to try to settle dilemma, namely, the question of whether to have "freedom" or "equality" in the effort to provide equal opportunities that will satisfy all people.

In a victory speech delivered in Chicago on November 4 last year, Obama expressed his resolve to get to the Promised Land, a goal that Martin Luther King Jr., the civil-rights leader, could not achieve 40 years ago for his people. "I have never been more hopeful than I am tonight that we will get there," Obama said.

I am hoping to see President Obama try to revive and systematize American values that can be accepted by all peoples in the world with respect.

(3) Expert panel to prepare law specifying cases subject to civil lawsuit against foreign governments

ASAHI (Page 30) (Full)
January 17, 2009

An expert panel of the Legislative Council (an advisory panel to the justice minister) has drawn up draft legislation that would specify the scope of cases subject to civil suits filed in Japan against foreign governments. In 2006, the Supreme Court acknowledged Japan's jurisdiction regarding commercial transactions and other matters, but the new legislation would list specific cases subject to civil suits in Japan.

Given that cross-border legal disputes have been growing with the globalization of business activities, the envisioned law would make it easy for companies doing business with foreign governments to predict whether trouble with them could be legally settled.

The draft bill is called "a law on our nation's civil jurisdiction against foreign countries, etc." (tentative name). In response to the panel's recommendations, the Justice Ministry is planning to submit the bill to the Diet in February. It has been customary in the international community that foreign governments are exempted

TOKYO 00000111 005 OF 013

from another country's civil jurisdiction on the grounds that holding a trial in another country could infringe on their

sovereignty. But Japan, ahead of Britain, the U.S., Australia and other countries, aims to prepare legislation to enable civil suits against foreign governments. Since the order was rendered by Daishin'in (the Supreme Court) in 1928, Japan had long adopted the legal interpretation that foreign governments should have immunity, but the Supreme Court handed down an unprecedented judgment in 2006 acknowledging Japanese jurisdiction.

The UN also adopted a treaty regarding civil jurisdiction against foreign governments in 2004, and the Japanese government signed it in 2007. In line with the contents of the treaty, Japan will enable Japanese companies and individuals under the new legislation to file a civil suit against the relevant foreign government over ordinary commercial transactions, trouble over labor contracts, real estate transactions and intellectual property rights, as well as physical and asset damages. But U.S. military personnel and individual diplomats will continue to be granted immunity from civil suits.

(4) Foreign Ministry has left contributions to UN totaling 800 million yen unattended for two to eight years

YOMIURI (Page 2) (Full)
Evening, January 19, 2009

The Foreign Ministry (MOFA) contributes to UN funds for assistance to developing countries. In this connection, The Yomiuri Shimbun has learned that approximately 816 million yen for 10 funds has been left unattended for two to eight years, because those funds have been either closed or suspended. MOFA received notifications on the return of contributed money from the UN. However, it failed to take procedures for the receipt of such money. MOFA's sloppy administrative system will likely be called into question.

The case was revealed through the data MOFA submitted to the Lower House Foreign Affairs Committee. The Board of Audit (BOA) last November pointed out the contribution problem involving approximately 397.5 million yen. A further investigation by MOFA found that the amount topping the scale pointed out by the BOA was left unheeded.

Activities by the Trust Fund for a Peaceful Settlement of East Timor, to which MOFA contributed funds for assistance for a team monitoring elections in East Timor, were ended in 2002 at the latest. However, 412 million yen in remaining funds that were supposed to be contributed to that fund have been left unattended. MOFA did not realize until 2008 that the fund had ended.

Activities of the Cambodia Trust Fund for humanitarian assistance to Cambodian people have been suspended since 2000. However, MOFA has left the remaining funds worth approximately 63.9 million yen as is until the UN inquired about it in July 2008. Concerning the Trust Fund for Activities by the International Verification Committee intended to promote the return and settlement of members of Nicaraguan armed groups, too, the UN Secretariat notified MOFA about a check to return approximately 970,000 yen. However, MOFA did not respond for more than three years.

MOFA explained that its internal checking system was insufficient. It is now hurriedly taking measures for most of remaining funds as of the end of December 2008, by taking procedures for their return

TOKYO 00000111 006 OF 013

or diverting them to other UN funds.

(5) Jiji opinion poll finds 37 PERCENT of public would favor DPJ, 21 PERCENT the LDP when voting in the proportional representation portion of the Lower House election

TOKYO SHIMBUN (Page 2) (Full)
January 17, 2009

According to the January opinion poll carried out by Jiji Press from the 9th through the 12th of this month, the support rate of the Aso Cabinet rose 1.1 points from last month to 17.8 PERCENT. This is the second month in row for the support rate to be below 20 PERCENT. The non-support rate dropped 0.7 point to 64.0 PERCENT. Asked

about which party they would vote for in the proportional representation portion of the House of Representatives election, 37.1 PERCENT of the public picked the Democratic Party of Japan (DPJ). This was almost double the 21.7 PERCENT who chose the Liberal Democratic Party (LDP).

There seems to be connection between the loss of public confidence in the Aso Cabinet and the LDP and such incidents as the unclear statements of Prime Minister Aso regarding the cash-handout program and former Administrative Reform Minister Yoshimi Watanabe leaving the LDP. The poll results are likely to have an impact on the Prime Minister's managing his administration, including the timing of Diet dissolution.

The survey was carried out by face-to-face interviews targeting 2,000 men and women. The effective response rate was 66.1 PERCENT .

(6) Sankei-FNN poll on Aso cabinet, political parties

SANKEI (Page 5) (Full)
January 13, 2009

Questions & Answers

(Note) Figures shown in percentage. Figures in parentheses denote findings from a previous Sankei-FNN survey conducted Nov. 29-30 last year.

Q: Do you support the Aso cabinet?

Yes 18.2 (27.5)
No 71.4 (58.3)
Don't know (D/K) 10.4 (14.2)

Q: Which political party do you support?

Liberal Democratic Party (LDP) 23.4 (26.7)
Democratic Party of Japan (DPJ or Minshuto) 26.6 (23.6)
New Komeito (NK) 4.9 (4.1)
Japanese Communist Party (JCP) 2.9 (2.6)
Social Democratic Party (SDP or Shaminto) 1.3 (1.9)
People's New Party (PNP or Kokumin Shinto) 0.5 (0.4)
Reform Club (RC or Kaikaku Kurabu) 0.2 (0)
New Party Nippon (NPN or Shinto Nippon) 0.1 (0.1)
Other political parties 1.2 (0.4)
None 37.7 (38.4)
D/K 1.2 (1.8)

TOKYO 00000111 007 OF 013

Q: Do you appreciate Prime Minister Aso and his cabinet on the following points?

Prime Minister Aso's personal character

Yes 29.4
No 64.3
D/K 6.3

Prime Minister Aso's leadership

Yes 10.1
No 85.1
D/K 4.8

Economic policy

Yes 12.0
No 80.3
D/K 7.7

Foreign policy

Yes 19.5
No 59.3
D/K 21.2

Plan to hand out cash benefits

Yes 16.6

No 77.9
D/K 5.5

Q: The second supplementary budget for fiscal 2008 includes a plan to hand out cash benefits to each and every household. Do you think this cash handout plan is a dole-out policy and not desirable?

Yes 75.1
No 21.4
D/K 3.5

Q: Do you think the Dietmembers also should receive cash benefits to expand consumption?

Yes 26.2
No 68.0
D/K 5.8

Q: Who do you think is most appropriate now for Japan's prime minister among the following politicians in the ruling and opposition parties?

Taro Aso 5.9 (8.8)
Nobuteru Ishihara 5.1 (5.4)
Yuriko Koike 4.3 (4.7)
Junichiro Koizumi 9.9 (11.5)
Kaoru Yosano 2.6 (2.9)
Yoshimi Watanabe 8.3 (---)
Yoichi Masuzoe 5.5 (---)
Other ruling party lawmakers 1.9 (4.1)
Ichiro Ozawa 13.2 (11.4)
Naoto Kan 4.8 (3.7)
Yukio Hatoyama 1.9 (3.4)
Katsuya Okada 3.8 (3.3)
Other opposition party lawmakers 2.9 (2.4)
None 25.7 (29.2)

TOKYO 00000111 008 OF 013

D/K 4.2 (3.6)

Q: When comparing Prime Minister Aso and DPJ President Ozawa, who do you think is trustworthier?

Prime Minister Aso 33.4
DPJ President Ozawa 44.8
D/K 21.8

Q: When comparing Prime Minister Aso and DPJ President Ozawa, who do you think is better in terms of policies?

Prime Minister Aso 24.4
DPJ President Ozawa 50.5
D/K 25.1

Q: When comparing Prime Minister Aso and DPJ President Ozawa, who do you think is more appealing in election campaigning?

Prime Minister Aso 35.7
DPJ President Ozawa 40.3
D/K 24.0

Q: When comparing Prime Minister Aso and DPJ President Ozawa, who do you think is more appropriate for prime minister?

Prime Minister Aso 25.2
DPJ President Ozawa 41.0
D/K 33.8

Q: What do you think is most responsible for the current state of job uncertainty?

Global economic situation 47.9
Japanese government 31.5
Business managers 12.3
D/K 2.6

Q: Do you now feel you are affected by the job uncertainty?

Yes 37.8
No 60.8
D/K 1.4

Q: The government and the ruling parties have decided to raise the consumption tax rate in fiscal 2011, premised on an economic turnaround. What do you think about this decision?

I can appreciate it as specifying financial resources 24.3
I can understand the necessity of raising it in the future, but this is not the time to say about it 51.5
The consumption tax rate should not be raised even in the future 21.5
D/K 2.7

Q: Prime Minister Aso has decided to send the Maritime Self-Defense Force against pirates in waters off Somalia under the Self-Defense Forces Law. What do you think about this decision?

I support the decision as an emergency measure 23.7
The SDF dispatch should be after creating a new law 47.2

TOKYO 00000111 009 OF 013

The SDF should not be sent there 26.2
D/K 2.9

Q: The Diet is currently divided with the ruling parties holding a majority of the seats in its lower chamber and the opposition parties dominating its upper chamber. What kind of political realignment would you like to see as a breakthrough?

Move to form a grand coalition of political parties involving the Liberal Democratic Party and the Democratic Party of Japan before the next election for the House of Representatives
Yes 30.0
No 62.1
D/K 7.9

Move to form a new party involving some in the LDP and the DPJ before the next election for the House of Representatives
Yes 37.5
No 55.7
D/K 6.8

Move to break through the situation through talks within the current framework of political parties
Yes 46.0
No 48.2
D/K 5.8

Move to form a new coalition or a new party after the next election for the House of Representatives
Yes 42.9
No 48.8
D/K 8.3

Yoshimi Watanabe's move in the LDP to leave the party
Yes 48.7
No 43.0
D/K 8.3

Hidenao Nakagawa's move in the LDP to form a supraparty group of lawmakers
Yes 41.2
No 47.1
D/K 11.7

The LDP's Koichi Kato and Taku Yamasaki seeking to rally with opposition party lawmakers
Yes 26.0
No 65.0
D/K 9.0

Q: Prime Minister Aso's term as LDP president is up until this fall.
How long do you think his government will continue?

Replaced before the next election for the House of Representatives 25.7
Replaced after the next election for the House of Representatives 47.4
Replaced upon his term's expiry this fall 20.1
Continue even after this fall 5.0
D/K 1.8

TOKYO 00000111 010 OF 013

Q: Which political party would you like to vote for in the next election for the House of Representatives in you proportional representation bloc?

LDP 29.0
DPJ 41.5
NK 5.5
JCP 4.6
SDP 1.6
PNP 1.2
RC 0
NPN 0.2
Other answers 7.4
D/K 9.0

Polling methodology: The survey was conducted Jan. 10-11 by the Sankei Shimbun and Fuji News Network (FNN) over the telephone on a computer-aided random digit dialing (RDD) basis. For the survey, a total of 1,000 persons were sampled from among men and women, aged 20 and over, across the nation.

(7) Scope column: Confrontation between Aso and Nakagawa intensifying over whether to mention consumption tax hike in additional clause

TOKYO SHIMBUN (Page 2) (Full)
January 20, 2009

The ruling Liberal Democratic Party (LDP) yesterday undertook full-fledged coordination on the question of whether to make specific the timing of a hike in the consumption tax in a clause attached to a fiscal 2009 tax reform bill. The LDP is now seeing a clash between Prime Minister Taro Aso, who wants to play up the responsibility of his party by mentioning the consumption tax hike in fiscal 2011 as mentioned in the government-drafted mid-term program for drastic reform of the tax code, and former LDP Secretary General Hidenao Nakagawa, who opposes such an idea. The party leadership is fretting over finding some kind of compromise. There appears to be a possibility that the cabinet will put off adopting the tax reform bill, although it still plans to do so on Jan. 23.

Aso stated yesterday in a session of the House of Councillors Budget Committee:

"I will aim for a 'moderate' level of welfare with a 'moderate' tax burden after rebuilding the economy before fiscal 2011, implementing administrative reform and eliminating wasteful spending. I have no intention to forcibly raise the consumption tax alone."

Having in mind the calls of Nakagawa and other LDP members for thorough administrative reforms, Aso without a doubt wanted to underscore more than ever that administrative reform was a condition for the consumption tax hike. If he fails to mention the tax hike in the bill, he could be faulted for a policy flip-flop. He is exuding a desire to obtain understanding from Nakagawa toward his proposal to mention the timing of the tax hike.

Appearing on a television program yesterday, however, Nakagawa hinted at the possibility of not voting for the government-proposed tax reform bill, saying: "I will make a decision at that time" if the phrase that the consumption tax will be increased in fiscal 2011 is written in the additional clause.

Nakagawa met last night with former Prime Minister Junichiro Koizumi and former LDP Secretary General Tsutomu Takebe. The three agreed to oppose the government's policy line of mentioning when to raise the consumption tax in the additional clause.

Six junior and mid-level lawmakers, including Upper House member Ichita Yamamoto, held a meeting last night, as well. They also confirmed that they would oppose the government's idea, for the reason that such will impact adversely on the economy. Argument opposing the government plan is spreading in the LDP.

Should 16 ruling coalition members rebel, the government-drafted bill will not be put to a second vote in the Lower House.

One LDP executive member pointed out: "If we fail to readopt the tax reform bill, it will be an end to the Aso cabinet. Since the Aso cabinet's support rate dropping to below 20 PERCENT in the polls, there is a possibility that anti-Aso magma will erupt at once.

In order to prevent conflict between the two sides from intensifying further, some members in the LDP have started finding ways to common ground.

Policy Research Council Chairman Kosuke Hori, Tax System Research Sub-committee Chairman Hakuo Yanagisawa and former Finance Minister Fukushima Nukaga, who heads the ruling coalition's project team, which compiled the mid-term program, decided yesterday to hear views on the matter from party members for the time being.

In the LDP, a former cabinet minister said: "Unless the description in the additional clause is changed, the tax system reform bill might clear the Diet."

"As a result of debate, if some words are corrected, we will have to discuss them with the New Komeito," said a senior LDP member. The senior LDP member took a position that the party would not dwell on the expression as was described in the mid-term program if there remains a possibility of the consumption tax to be raised in fiscal 2011.

(Gist of) parts related to the consumption tax in the mid-term program

In order to implement a drastic reform of the tax code in fiscal 2011, necessary legal measures should be taken beforehand and a sustainable fiscal system should be gradually established by the early 2010s.

The economy should be boosted by concentrated efforts, including drastic tax system reform, for an economic turnaround within three years, including the current fiscal year.

(8) TOP HEADLINES

Asahi:
Convenience store sales surpass those at department stores in 2008

Mainichi:
Obama presidential inauguration scheduled tomorrow

Yomiuri:
Toyota mulls dismissing all seasonal workers

Nikkei:
Furukawa Electric, Showa Denko in talks on merging aluminum operations

Sankei:

Many city assemblies support cash handout plan

Tokyo Shimbun:
Cabinet food safety commission determines cloned beef as safe

Akahata:
JCP Fukushima chapter responds speedily to report on firing
non-permanent workers

(9) EDITORIALS

Asahi:
(1) What was wrong with war on terror?
(2) Make preparations for full-fledged outbreak of influenza

Mainichi:
(1) Transfer of Kampo no Yado inns: Ruing bloc's privatization
stance raises questions
(2) Obama era: Japan must make strategic use of its technology

Yomiuri:
(1) Parties must discuss consumption tax hike
(2) National Defense Program Guidelines: Aim at enhanced
international peace-building activities

Nikkei:
(1) Ceasefire must result in resumed Middle East peace talks
(2) Testing time for 10-year-old euro

Sankei:
(1) Middle East peace must follow Gaza ceasefire
(2) Influenza outbreak at Machida hospital

Tokyo Shimbun:
(1) Gaza crisis: Explore ways for permanent peace
(2) Nuclear disarmament: U.S., Russia must cooperate this year

Akahata:
(1) General constructor's slush funds: Put end to collusive ties
among politics, bureaucracy and business

(10) Prime Minister's schedule, January 19

NIKKEI (Page 2) (Full)
January 20, 2009

08:16
Attended extraordinary cabinet meeting in Diet building. Met
afterwards with Chief Cabinet Secretary Kawamura.

08:47
Attended Upper House Budget Committee session. Talked with Upper
House Budget Committee chief director Iwanaga.

TOKYO 00000111 013 OF 013

12:02
Arrived at Kantei.

13:00
Attended Upper House Budget Committee session. Talked with DPJ Upper
House member Renho.

17:06
Attended LDP executive meeting.

17:49
Arrived at Kantei.

18:22
Returned to official residence.

18:37
Met with LDP Diet Affairs Committee Chairman Oshima, joined by
Kawamura and LDP Secretary General Hosoda.

20:03

Arrived at his private office in Nagata-cho.

21:36

Returned to official residence.

22:55

Received telephone call from U.S. President Bush, attended by Assistant Deputy Chief Cabinet Secretary Hayashi and Foreign Ministry North American Affairs Bureau Director General Umemoto.

ZUMWALT